

RULE 1610

Old-Vehicle Scrapping

(a) Purpose

The purpose of this rule is to reduce motor vehicle volatile organic compounds (VOC), nitrogen oxides (NO_x), carbon monoxide (CO), and particulate matter (PM) exhaust emissions by issuing mobile source emission reduction credits in exchange for the scrapping of old, high emitting vehicles. Procurement of old vehicles could be accomplished by persons voluntarily giving up their vehicle for scrapping upon receiving an incentive payment. This rule provides a mechanism through which stationary source emissions can be brought into compliance with District regulations through mobile source emission reductions. Mobile source emission reduction credits (MSERCs) generated may only be applied towards compliance with designated rules with future compliance dates within District Regulation XI, Source Specific Standards; Regulation XV, Trip Reduction/Indirect Source; Regulation XIII, New Source Review; Regulation XX, Regional Clean Air Incentives Market (RECLAIM); or any other District regulations that allow the use of credits. MSERCs may not be applied towards compliance with federal requirements that do not authorize compliance through emissions trading including those promulgated by U.S. EPA as authorized under Title 42, U.S. Code Sections 7411, 7412(d), and those subsections of 7511b of the U.S. Code that do not authorize compliance through emissions trading. The value of these credits is based on old vehicles having at least three years useful remaining life prior to scrapping.

(b) Definitions

For purposes of this rule, the following definitions shall apply:

- (1) **MOBILE SOURCE EMISSION REDUCTION CREDIT (MSERC)** means credit for real, quantified emission reductions, approved by the Executive Officer or designee, as authorized by this rule, and surplus to emission reductions required by ARB, District, and U.S. EPA regulations and the most recent District or U.S. EPA approved Air Quality Management Plan, whichever is more stringent.
- (2) **NITROGEN OXIDES (NO_x)** means the sum of nitric oxides and nitrogen dioxides emitted, collectively expressed as nitrogen dioxide emissions.
- (3) **OLD-VEHICLE** means 1981 and earlier model-year passenger cars and light-duty trucks.
- (4) **OLD-VEHICLE SCRAPPING PROGRAM** means a program in which old vehicles are scrapped in exchange for MSERCs.

- (5) SCAQMD LICENSED SCRAPPER means an entity certified by the Executive Officer or designee to generate MSERCs by scrapping vehicles, as authorized by this rule.
- (6) SCRAPPING means the process by which a motor vehicle is permanently removed from service.
- (7) VOLATILE ORGANIC COMPOUND (VOC) means any volatile compound of carbon, excluding: methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds as defined in District Rule 102.

(c) **SCAQMD Licensed Scrapper Certification Requirements**

- (1) Certification as an SCAQMD licensed scrapper shall be limited to: VOC, NO_x, CO, or PM stationary emission sources subject to District Regulation XI, Source Specific Standards, rules with future compliance dates; Regulation XIII, New Source Review; Regulation XV, Trip Reduction/Indirect Source; or Regulation XX, RECLAIM.
- (2) SCAQMD licensed scrappers shall have vehicles scrapped only by auto dismantlers that are licensed by the California Department of Motor Vehicles.
- (3) All scrapping plans approved pursuant to paragraph (c)(5) shall require the scrapping of a minimum of 50 old vehicles within six months of the date of approval of the scrapping plan. MSERCs may not be issued for any old vehicles scrapped pursuant to a plan approved after the effective date of this amendment if at least fifty old vehicles have not been scrapped pursuant to the plan within six months of plan approval. Notwithstanding the foregoing, the minimum shall be 10 for the motion picture industry and in cases where the Executive Officer or designee determines that the minimum of 50 should be lowered because hardship has been demonstrated, e.g., if the amount of MSERCs that a facility needs is less than the number of MSERCs generated when 50 vehicles are scrapped.
- (4) Entities intending to seek certification as an SCAQMD licensed scrapper shall submit a scrapping plan to the Executive Officer or designee at least one month prior to planned initiation of vehicle scrapping. The scrapping plan shall be submitted on forms specified by the Executive Officer or designee, and contain specific information including, but not limited to:

- (A) information demonstrating the ability to comply with all provisions of this rule relating to vehicle selection, visual and functional inspection, disposal, and recordkeeping.
- (B) the name and address of the California Department of Motor Vehicles licensed auto dismantler used to comply with paragraph (c)(2) (hereafter referred to as the DMV licensed auto dismantler), and a written statement from the auto dismantler certifying compliance with: local water conservation regulations; state, county, and city energy and hazardous materials response regulations; and local water agency soil, surface, and ground water contamination regulations.
- (C) anticipated initiation date for scrapping program, and the anticipated use of the MSERCs.
- (D) a description of the procedure to render the engine inoperable, if subparagraph (e)(2)(C) is employed by the SCAQMD Licensed Scrapper in lieu of subparagraph (e)(2)(A) or (e)(2)(B).
 - (i) The SCAQMD licensed scrapper shall demonstrate the procedure to the Executive Officer or designee.
 - (ii) Scrapping plans approved prior to March 8, 1996 shall be amended within 30 days prior to the start of the next vehicle scrapping program if the procedure will be utilized.
- (5) Certification as an SCAQMD licensed scrapper shall occur with written approval of the scrapping plan by the Executive Officer or designee. Approval of the scrapping plan shall be based on information denoted in paragraph (c)(3) and subparagraphs (c)(4)(A) and (c)(4)(B). The Executive Officer or designee shall have one month to approve or disapprove the scrapping plan and shall disapprove the scrapping plan unless it complies with paragraph (c)(3) and subparagraphs (c)(4)(A) and (c)(4)(B). The Executive Officer or designee shall also disapprove the scrapping plan if the additional air pollutant emissions, caused by scrapping vehicles in connection with this rule, exceed District significance thresholds.

(d) Notice Requirements for Vehicle Scrapping

SCAQMD licensed scrappers shall submit written notice to the Executive Officer or designee at least two weeks prior to vehicle scrapping, indicating date, location, and estimated number of vehicles to be scrapped.

(e) Vehicle Disposal Requirements

- (1) At a minimum, scrapping shall entail the permanent destruction of the following vehicle components:

- (A) Vehicle Identification Number
 - (B) License Plates
 - (C) Body/Frame
- (2) The SCAQMD licensed scrapper or DMV licensed auto dismantler shall render the engine inoperable within ten days subsequent to possession of the old vehicle using any of the following procedures:
- (A) permanent destruction of the cylinder block; or
 - (B) introduction of sand into the combustion chamber (the sand shall be introduced by removing spark plugs from two adjacent cylinders, pouring the sand into these cylinders, reinstalling the spark plugs, and attempting to start the engine. This procedure shall be deemed complete when the engine has seized); or
 - (C) an alternative procedure which renders the engine inoperable and which has been proposed by the scrapper or dismantler and is included in a plan submitted pursuant to subparagraph (c)(4)(D) approved by the Executive Officer or designee.
- (3) Except for components listed in subparagraphs (e)(1)(A) through (e)(1)(C), removal of reusable components, e.g., doors, fenders, bumpers, subframes and disassembled engine components is allowed during the 90-day period subsequent to possession of the old vehicle by the SCAQMD licensed scrapper or DMV licensed auto dismantler.
- (4) Vehicle components listed in subparagraphs (e)(1)(A) through (e)(1)(C) shall be permanently destroyed no later than 100 days subsequent to possession of the old vehicle by the SCAQMD licensed scrapper or DMV licensed auto dismantler.
- (5) All activities associated with scrapping vehicles, including but not limited to the disposal of vehicle fluids and vehicle components, shall comply with applicable federal, state, and local laws, regulations, codes, and permitting requirements.
- (f) **Vehicle Selection Requirements**
- (1) Only 1981 and earlier model-year passenger cars and light-duty trucks ("old vehicles") shall be eligible for MSERCs through the old-vehicle scrapping program.
 - (2) To be eligible for MSERCs, old vehicles to be scrapped shall meet all of the following requirements.

- (A) For at least two continuous years prior to scrapping, registration with the California Department of Motor Vehicles to one or more addresses located in the District.
 - (B) For at least two continuous years prior to scrapping, registration with Department of Motor Vehicles as an operable vehicle, except that registration as a nonoperable vehicle for up to two months cumulatively, occurring at least three months prior to scrapping, shall be acceptable under this subparagraph. Smog checks must be performed as required by Department of Motor Vehicles in order for the vehicle to be considered registered.
 - (C) Any person submitting a second or successive vehicle to any one Licensed Scrapper shall provide proof of continuous vehicle ownership and continuous registration as an operable vehicle in the District since January 1, 1992 as provided in subparagraph (f)(4)(A) and shall meet all functional and registration requirements of the Rule.
 - (D) The vehicle owner shall provide California Certificate of Title or DMV application for duplicate title.
- (3) The requirements contained in subparagraph (f)(2)(B) shall be established through an inspection of Department of Motor Vehicles registration records by the SCAQMD Licensed Scrapper.
- (4) The requirements contained in subparagraph (f)(2)(A) shall be established through a SCAQMD Licensed Scrapper inspection of documentation supplied by the vehicle owner(s). This documentation shall include the following.
- (A) For vehicles that have been owned by one person for two continuous years prior to scrapping, the current vehicle registration card plus one additional document dated at least two years prior to scrapping shall be required. This additional document may be a previous vehicle registration card, a utility statement, a credit card statement, insurance invoice, a California Certificate of Title, California Drivers License, California Identification Card, canceled checks, or equivalent as determined by the Executive Officer or designee and shall contain certain information that has been preprinted by the original issuer of the document, including:
 - (i) at least one registered owner's name
 - (ii) registered owner's address that is located in the District
 - (iii) date prepared

- (B) For vehicles with more than one owner during the two year period prior to scrapping, vehicle registration cards, California Certificate of Titles for the current owner and each previous owner, or equivalent documentation as determined by the Executive Officer or designee shall be required, verifying that the vehicle has been continuously registered to address(es) located in the District for the two year period prior to scrapping.

(g) **Vehicle Visual and Functional Inspection**

In order to be eligible for MSERCs, each vehicle to be scrapped shall pass a visual and functional inspection upon delivery to the DMV licensed auto dismantler. Inspections shall be conducted by the SCAQMD licensed scrapper. The following elements shall be included in the inspection.

- (1) Vehicle must have been driven under its own power to scrapping site. If a SCAQMD Licensed Scrapper and/or District personnel has knowledge prior to the scrapping of a vehicle that (1) the vehicle was towed or pushed for any portion of the trip to the scrapping site, or (2) one or more items described in subparagraphs (g)(2)(A) through (g)(2)(C) occurred while the vehicle was being driven to the scrapping site, then the vehicle shall not be accepted for scrapping.
- (2) The vehicle owner, or a person authorized by the vehicle owner, shall switch off the engine, restart the engine, and drive the vehicle in forward and reverse as directed by the SCAQMD Licensed Scrapper and/or District personnel, and perform any other tests indicating operability if the preceding test procedure has not established operability, as directed by SCAQMD Licensed Scrapper and/or District personnel. The vehicle shall not be accepted by the SCAQMD Licensed Scrapper if the following occur:
 - (A) non-operation of the starter motor
 - (B) non-operation of the ignition switch
 - (C) non-operation of the vehicle transmission
- (3) Vehicle identification numbers from the California Certificate of Title (if available), current vehicle registration card, and vehicle must be matched.
- (4) Person(s) delivering vehicle to scrapping site must be verified as the vehicle owner(s). Additionally, the vehicle must not have any liens.
- (5) The presence of the vehicle components originally supplied when the vehicle was new or functionally equivalent replacement components must be visually verified. The component inspection shall include, but not be limited to, the following:
 - (A) Exhaust system

- (B) Bumpers
- (C) Doors
- (D) Fenders
- (E) Side and quarter panels
- (F) Hood and trunk lid
- (G) Windshields and windows
- (H) Seats
- (I) Instrumentation and gauges

(h) Mobile Source Emission Reduction Credits Per Scrapped Vehicle

- (1) Mobile source emission reduction credits shall be issued upon approval of the application pursuant to subdivision (k). The MSERCs shall be calculated according to the following formula:

$$\text{MSERC} = 3 \times [((\text{SCRAP} - \text{REPLACE}) \times \text{MILESC})/454]/\text{DF}$$

Where:

- MSERC = Mobile Source Emission Reduction Credit (total pounds of pollutant)
- SCRAP = Emission rate of scrapped vehicle in grams per mile, according to paragraph (h)(2), based on the model-year of the scrapped vehicle.
- MILESC = Average annual mileage corresponding to model-year of scrapped vehicle, according to paragraph (h)(3).
- REPLACE = Average in-use vehicle emission rate in grams per mile for year in which vehicle is scrapped, according to paragraph (h)(4)
- DF = Discount Factor, for the purpose of generating credits, equal to 1.0

- (2) Emission Rates of Scrapped Vehicle for VOC, NO_x, CO and PM (grams/mile):

Model-year Group	VOC	NO _x	CO	PM
Pre-1972	12.4	4.0	69.5	0.04
1972-1974	9.7	3.8	46.4	0.04
1975-1981	3.9	3.0	36.1	0.01

(3) Average Annual Mileage of Scrapped Vehicles (miles)

Year	Annual Mileage
Pre-1972	4,900
1972-1974	5,300
1975-1981	6,400

(4) Average In-use Motor Vehicle Emission Rate (grams/mile) for 1993 calendar year, for VOC, NO_x, CO and PM:

<u>VOC</u>	<u>NO_x</u>	<u>CO</u>	<u>PM</u>	<u>Usage</u>
1.8	1.2	13.6	0.01	Average Vehicle Replaces Pre-1972 Vehicle
1.8	1.2	13.6	0.01	Average Vehicle Replaces 1972-1974 Vehicle
1.6	1.2	13.6	0.01	Average Vehicle Replaces 1975-1981 Vehicle

(5) Emission rates and annual mileage rates as shown in paragraphs (h)(2), (h)(3), (h)(4), and (h)(6) are based on ARB's EMFAC 7F emission factor model and BURDEN 7F vehicle activity model. These rates may be updated and published upon concurrence by ARB and District staffs, based on a revision to ARB's emission factor model. The Executive Officer shall submit any District Governing Board approved revisions to the emission rates provided in this subdivision to U.S. EPA for inclusion into the State Implementation Plan.

(6) MSERCs per scrapped vehicle, as of October 13, 1995, shall be the following:

(A) Using a 1.2 Discount Factor, VOC, NO_x, CO and PM, Mobile Source Emission Reduction Credits Per Scrapped Vehicle (total pounds)

Vehicle Model-Year	VOC	NO _x	CO	PM
Pre-1972	285	75	1500	0.8
1972-1974	233	75	950	0.9
1975-1981	80	63	800	0

(B) Using a 1.0 Discount Factor, VOC, NO_x, CO, and PM, Mobile Source Emission Reduction Credits Per Scrapped Vehicle (total pounds)

Vehicle Model-Year	VOC	NO _x	CO	PM
Pre-1972	342	90	1800	1.0
1972-1974	279	90	1140	1.1
1975-1981	96	75	960	0

- (7) MSERCs generated from vehicle scrapping activities shall be valid for five years from the date of application approval pursuant to subdivision (k), with the limitation that no more than one-third of the MSERCs may be consumed within one year from the date of approval and not more than two-thirds of the MSERCs may be consumed within two years from the date of approval. This paragraph shall also apply to credits that have been issued for vehicle scrapping activities prior to October 13, 1995 provided that these credits have not expired or have not been consumed.

(i) Use of MSERCs

- (1) MSERCs may be used only for any of the following applications:
- (A) As RECLAIM Trading Credits in accordance with Rule 2008.
 - (B) As an alternative method of compliance with District Regulation XI rules that have future compliance dates. MSERCs shall not be used to offset emission increases caused by the removal of emission control equipment or replacement of compliant with noncompliant materials subject to Regulation XI.
 - (C) As an alternative method of compliance with District Regulation XV rules that allow the use of MSERCs. MSERCs generated from vehicle scrapping activities occurring before October 13, 1995, may be used by any entity pursuant to this subparagraph.
 - (D) As New Source Review (NSR) offsets for emission increases at new or modified facilities that are subject to Rule 1303 (b)(2) pursuant to provisions in Regulation XIII. Pursuant to Rule 504, no variance or series of variances, including emergency and interim variances, shall be granted for a period in excess of 90 days from the initial granting of a variance, from a permit condition implementing a Regulation XIII offset requirement if such permit condition is based upon the use of MSERCs.
 - (E) For voluntary retirement of MSERCs for air quality benefits.
 - (F) As an alternative method of compliance with any other District regulations which allow the use of credits.
- (2) For the purpose of using MSERCs pursuant to subparagraphs (i)(1)(A) and (i)(1)(B), a discount factor equal to 1.2 shall be applied. For the purpose of using MSERCs pursuant to subparagraphs (i)(1)(C) and (i)(1)(D), a discount factor equal to 1.0 shall be applied. For all other uses pursuant to subparagraph (i)(1)(F), a discount factor equal to 1.0 shall be applied unless specified otherwise in District regulations.

- (3) An entity using MSERCs in accordance to subparagraph (i)(1)(B), (i)(1)(D), and (i)(1)(F) shall demonstrate to the Executive Officer that emissions at the entity's facility are not subject to Risk Reduction Requirements pursuant to Rule 1402, subdivision (f), or use of MSERCs will not result in adverse change in attainment of risk reduction requirements under Rule 1402.
- (4) In addition to subparagraph (i)(3),
 - (A) In order to use MSERCs in lieu of compliance with an emission limitation in a Regulation XI rule as authorized in subparagraph (i)(1)(B), an entity must establish that:
 - (i) use of MSERCs does not result in NO_x emissions greater than or equal to 200 pounds per day, from those portable internal combustion engines where MSERCs will be used, where portable internal combustion engines are defined pursuant to paragraph (a)(5) of Rule 1110.2; or
 - (ii) NO_x emissions from those portable internal combustion engines where MSERCs will be used, will not cause an exceedance of the state nitrogen dioxide ambient air quality standard.
 - (B) In order to use MSERCs in lieu of compliance with an emission limitation in a Regulation XI rule as authorized in subparagraphs (i)(1)(B) or (i)(1)(F), an entity must demonstrate that:
 - (i) use of MSERCs will not result in an increase or forgone reduction in carcinogenic health risk greater than 1×10^{-5} or Hazard Index greater than 1 for all substances listed in Rule 1402; the assessment of health risk shall be conducted in accordance with guidance used in implementing Rules 1401 - New Source Review of Carcinogenic Air Contaminants and 1402 - Control of Toxic Air Contaminants from Existing Sources;
 - (ii) use of MSERCs will not result in a Significant Risk Level, in accordance with Rule 1402 paragraph (d)(11), when the increased carcinogenic health risk or Hazard Index as determined pursuant to subclause (i)(4)(B)(i) of this rule are added to the total facility risk for those facilities that were required to prepare a health risk assessment pursuant to the criteria in Rule 1402(c); and
 - (iii) use of MSERCs will not cause a significant increase in an air quality concentration as determined using the methodology as set forth in Rule 1303, Table A-2 of Appendix A.
- (5) Compliance plans currently being implemented as of May 9, 1997 shall demonstrate compliance with paragraphs (i)(3) and (i)(4) when their next plan is due or within six months of date of adoption, whichever occurs first.

- (6) Scrapping plans currently being implemented as of October 13, 1995, for the purpose of delaying compliance of Regulation XI rules shall be permitted to complete their implementation.
- (7) MSERCs may only be transferred as permitted by Rule 1501.1 or Regulation XX, except that SCAQMD Licensed Scrappers that are not subject to either District Regulation XI or Rule 1301(b)(2) may also transfer MSERCs to other entities that were SCAQMD Licensed Scrappers as of the date the MSERCs were generated.
- (8) MSERCs shall only be consumed in the air basin corresponding to the registered address of the old vehicle, prior to the DMV licensed auto dismantler or SCAQMD Licensed Scrapper taking possession of the vehicle.

(j) **Recordkeeping Requirements**

- (1) SCAQMD licensed scrappers shall maintain a copy of the scrapping plan described in subdivision (c) and the notices given pursuant to subdivision (d) for one year following termination of vehicle scrapping.
- (2) The following information shall also be collected and maintained in written records by the SCAQMD licensed scrapper for one year following termination of vehicle scrapping:
 - (A) Starting and ending dates of the old-vehicle scrapping program.
 - (B) Number of vehicles scrapped.
 - (C) Dates vehicles were scrapped.
 - (D) Complete name, address, and telephone number of the person conducting the old-vehicle scrapping program.
 - (E) Complete name, address, and telephone number of the auto dismantler and any program subcontractors.
 - (F) A detailed description of project organizational structure and logistical arrangements, including location(s) of collection and disposal facilities, and scrapping procedure including disposal procedures for all vehicle components and fluids.
- (3) SCAQMD licensed scrappers shall be responsible for storing and maintaining computer accessible data records of scrapped vehicles.
- (4) The computer hardware, software, and communications protocol, to be used for storing and maintaining computer accessible data records, shall be specified by the Executive Officer or designee for compatibility with existing District computer related equipment.

- (5) Data records for each scrapped vehicle shall include the following:
 - (A) Vehicle make
 - (B) Vehicle model
 - (C) Vehicle model-year
 - (D) Vehicle license plate number
 - (E) Vehicle identification number
 - (F) Vehicle mileage
 - (G) Scrapped vehicle owner's name, address, telephone number, and driver license number
 - (H) Date of scrapping
 - (I) VOC, NO_x, CO, and PM mobile source emission reduction credit
 - (J) Name of person(s) conducting vehicle visual and functional inspection as required by subdivision (g), with employer's name, address, and telephone number.
- (6) Data records shall be made accessible to the Executive Officer or designee for a minimum of one year subsequent to the issuance of MSERCs for each scrapped vehicle.
- (7) In addition to data records pursuant to (j)(5), for each vehicle scrapped, the SCAQMD licensed scrapper shall maintain and make accessible to the Executive Officer or designee upon request the following for a minimum of one year subsequent to the issuance of MSERCs for each scrapped vehicle:
 - (A) A duplicate copy of Report of Vehicle to be Dismantled and Notice of Acquisition (California Department of Motor Vehicles Registration 42 Form) validated by line date stamping on the front of the form.
 - (B) Copy of documentation, pursuant to paragraphs (f)(3) and (f)(4), and subparagraph (f)(2)(D).
 - (C) Copy of California Certificate of Title or DMV application for duplicate title for each scrapped vehicle.

(k) Issuance of MSERCs

1. SCAQMD licensed scrappers shall submit an application to the Executive Officer or designee every six months following certification as an SCAQMD licensed scrapper. The purpose of the application is to document the number of vehicles scrapped and MSERCs earned during the six month period, and demonstrate compliance with rule requirements.
- (2) The application shall contain the following information for each six month period:
 - (A) Data records for vehicles scrapped;
 - (B) Total MSERCs claimed for scrap program period;
- (3) MSERCs shall be issued after the Executive Officer or designee has approved the application pursuant to paragraph (k)(1). The application shall be disapproved unless it demonstrates the SCAQMD licensed scrapper has complied with all applicable provisions in this regulation, as determined by the Executive Officer or designee.
- (4) For the purposes of assessing fees, the application shall be deemed a plan, and the fees shall be assessed in accordance with the provisions of Rule 306.
- (5) The application, including data records, shall be stored by the Executive Officer or designee for a minimum of five years.

(l) Compliance Plan

- (1) In order to use MSERCs for the application listed in subparagraphs (i)(1)(B), (i)(1)(D), and (i)(1)(F), the user shall submit a Rule 1610 compliance plan to the Executive Officer or designee. The purpose of the compliance plan is to demonstrate compliance with rule requirements, and specify the use of the MSERCs.
- (2) The compliance plan shall contain the following information:
 - (A) Total MSERCs (attach certificates)
 - (B) Identification of the specific rule for which the alternative method of compliance is sought;
 - (C) The period of time for the alternative method of compliance;
 - (D) Number of MSERCs used to substantiate the alternative method of compliance;

- (E) A quantification of emissions that would result from noncompliance with the rule identified in subparagraph (1)(2)(B), and documentation supporting the emissions quantification.
 - (i) This quantification shall be performed using District Governing Board approved quantification methodologies.
 - (ii) The Executive Officer shall submit this rule and associated quantification methodologies to U.S. EPA for inclusion into the State Implementation Plan.
- (3) Supporting documentation (applicable for MSERC usage for Regulation XI rules) shall include, but is not limited to:
 - (A) a listing of equipment and/or materials that are the source of noncompliant VOC, NO_x, CO, or PM emissions associated with the rule identified in subparagraph (1)(2)(B).
 - (B) a description and operating conditions of equipment listed in subparagraph (1)(3)(A) and/or composition and rate of use of materials listed in subparagraph (1)(3)(A).
 - (C) emission rates associated with the use of equipment and/or materials listed in subparagraph (1)(3)(A).
 - (D) a listing of equipment and/or materials that would result in compliance with the rule identified in subparagraph (1)(2)(B).
 - (E) a description and operating conditions of equipment listed in subparagraph (1)(3)(D) and/or composition and rate of use of materials listed in subparagraph (1)(3)(D).
 - (F) emission rates associated with the use of equipment and/or materials listed in subparagraph (1)(3)(D).
- (4) The compliance plan shall be written on a form to be specified by the Executive Officer or designee.
- (5) The Executive Officer or designee shall approve or disapprove the compliance plan. The plan shall be disapproved unless it demonstrates that an equivalent amount of emissions reductions are obtained through the alternative method of compliance.
- (6) MSERCs may not be used as an alternative method of compliance with Regulation XI rules until the Executive Officer or designee has approved the compliance plan.
- (7) The user must renew the compliance plan prior to the expiration of the MSERCs upon which the plan is based.

- (8) The compliance plan, including supporting documentation, shall be stored by the Executive Officer or designee for a minimum of five years.

(m) **Compliance Auditing and Enforcement**

- (1) The Executive Officer or designee may audit any files and/or records created to comply with recordkeeping requirements.
- (2) The Executive Officer or designee shall reserve the right to inspect facilities, including auto dismantlers, for compliance with the requirements specified in this rule. District inspectors shall be afforded immediate access to scrapping/dismantling facilities on request.
- (3) Violation of any provision of this rule, including falsification of information in the scrapping plan, application, or compliance plan, shall be grounds for the Executive Officer or designee to disallow or void any MSERCs resulting from or associated with the violation, by disapproving or seeking revocation of the compliance plan (as appropriate), and shall be subject to the penalties specified in the Health and Safety Code for violation of District rules.

(n) **Requirements for Public Notice**

Following a completeness determination of the scrapping plan for the use of MSERCs as NSR offsets only, as provided in subparagraph (i)(1)(D), the Executive Officer or designee shall:

- (1) perform the evaluations required to determine compliance with this regulation and make a preliminary written decision, as appropriate, as to whether or not MSERCs, to be used as emission reduction credits (ERCs), should be approved or disapproved. The decision shall be supported by a succinct written analysis; and
- (2) publish a notice by prominent advertisement in at least one newspaper of general circulation in the District stating the preliminary decision of the Executive Officer or designee and where the public may inspect the information. The notice shall provide 30 days from the date of publication for the public to submit written comments on the preliminary decision; and
- (3) at the time notice of the preliminary decision is published, make available for public inspection at the District office the information submitted by the applicant, the supporting analysis for the preliminary decision, and the preliminary decision to grant or deny MSERCs and the reasons therefore. The confidentiality of trade secrets shall be maintained in accordance with Section 6254.7 of the Government Code.

(o) Appeal of Disapproval of MSERC Issuance

An applicant may, within 30 days of receipt of notice of disapproval, request the Hearing Board to hold a hearing on whether the scrapping application was properly refused.

[SIP: Submitted as amended 5/9/97 on 6/3/97.]